



The Evaluation of Job Services Australia

Departmental Response to Findings

Macroeconomic context

Job Services Australia (JSA) was delivered in an economic context which included the onset of the Global Financial Crisis (GFC) from late 2008. The complications brought on by the GFC were twofold: firstly, more people entered employment services and secondly, there were fewer job vacancies into which job seekers could be placed.

During the six years of JSA, there were challenges associated with structural changes across many industries. In addition, skills shortages became less of a concern for many employers after the impacts of the GFC began to be felt.

The economy displayed remarkable resilience throughout 2010, however, from 2011 - 2012 onwards there was a clear slowdown. The effect of macroeconomic conditions on the performance of employment services is demonstrated by the strong alignment between the monthly movements in the number of JSA job placements and the number of advertised jobs from September 2009 to June 2015.

Therefore, some of the differing results of JSA 2012 - 2015 compared to JSA 2009 - 2012 reflect prevailing macroeconomic conditions.

Changes to employment services since JSA

The Australian Government replaced JSA with jobactive from 1 July 2015, leveraging insights gained through analysis and evaluation of the JSA program. Over successive budgets, the Government has continued to invest to strengthen employment services with:

- enhancements to jobactive, such as the Youth Jobs PaTH
- new targeted programs, including Transition to Work and Career Transition Assistance
- the development, following extensive consultation, of the New Employment Services Model, and
- participation reforms and the introduction of a new Targeted Compliance Framework.

Design features of jobactive

JSA evaluation evidence supports core elements of the jobactive model, such as:

- the importance of a focus on meeting employer needs – this includes through greater emphasis in provider payment and performance frameworks on the achievement of sustained employment outcomes
- streaming, based on Job Seeker Classification Instrument (JSCI) scores, Employment Services Assessments (ESAt) – to direct resources in a way that drives outcomes for more disadvantaged job seekers
- Job Plans – to identify job seeker needs and help to address employment barriers, as well as outline mutual obligation requirements
- the Employment Fund – a flexible funding pool that jobactive providers can use to help eligible job seekers build their experience and skills to get and keep jobs
- in terms of training, a focus on accredited courses and targeted pre-employment training
- wage subsidies – to support disadvantaged job seekers in moving off income support, or – in the case of parents in jobactive – helping to gain and maintain a job.

Evidence from the JSA evaluations has also informed the design of the New Employment Services Model being trialled from 1 July 2019 and to be introduced in all non-remote regions from July 2022.

Strong focus on activation, mutual obligation and compliance

The JSA evaluations show that policy settings, such as the timing and intensity of participation in employment services and required activities, can encourage (particularly job ready) job seekers to move into work more quickly.

Analysis of changes to compliance arrangements during the JSA period also showed clear effects on how quickly job seekers engaged with their providers, including after missed appointments. To optimise the effectiveness of these arrangements, a new targeted job seeker compliance framework was introduced from 1 July 2018. This strengthens penalties for persistent and deliberate non-compliance, while providing extra help for job seekers to meet their requirements.

A new 'Work First' approach commenced operation in the income support claim process from 1 July 2018. This replaced arrangements that backdate income support to the date of first contact with the Department of Human Services so payments start from the date of first attendance at an employment service provider appointment. The aim is to encourage faster connections to employment services to improve recipients' chances of finding work quickly.

From September 2018, stronger participation requirements apply to job seekers aged 30-49 and those aged 55 to Age Pension age. These changes increase the time that mature age job seekers spend in work-like activities and better connects them with the labour market.

Emphasis on work and work-readiness

Policy and program settings across employment services emphasise the importance of work and work-like activities that equip job seekers with skills and experience sought by local employers.

Alongside jobactive, Transition to Work (TtW) provides intensive pre-employment support to increase the work-readiness of young people and help them into work (including apprenticeships and traineeships) or education. The service also has a strong focus on helping young people to understand and develop the skills, attitudes and behaviours employers expect.

Young people participating in jobactive or TtW can get work experience through internships as part of the Youth Jobs PaTH announced in the 2016-2017 Budget. The other two elements of the Youth Jobs PaTH are Employability Skills Training and the Youth Bonus Wage Subsidy, with the three program components – Prepare, Trial, Hire – designed to prepare young job seekers for the workplace and encourage Australian businesses to hire them.

Work experience is also available to job seekers – particularly mature age people – through the National Work Experience Programme (NWEP). New financial incentives became available to jobactive and TtW providers and host businesses from 1 July 2018 to encourage more NWEP placement opportunities.

Specialised Assistance

Evidence from the JSA evaluations showed that specialised services targeting key difficult-to-place groups can be effective. Consistent with these findings, the Australian Government invests in a range of specialised assistance to support job readiness.¹ This assistance can be part of an enhanced jobactive service offer (for example, the Youth Jobs PaTH) or provided as an alternative to jobactive (for example, the TtW service).

Detail on a range of specialised assistance measures for different groups of people who are unemployed or at risk of poor transitions into work or from one job to another are at [Attachment A](#).

Performance of jobactive

Evidence from monitoring data indicates that jobactive is performing better than JSA at an equivalent point in time, noting that experience has shown the introduction of new services take some time to bed down.

- A larger number of disadvantaged job seekers are in some form of employment under jobactive.
- Of people who participated in jobactive between January 2018 and December 2018, 48.6 per cent were employed three months later. This is higher than the 42.8 per cent outcome for people who participated in JSA between July 2014 and June 2015.
- The Australian Government is actively addressing youth employment through programs such as Youth Jobs PaTH, as well as harnessing insights from the evaluation of the now concluded Empowering YOUTH Initiatives.
- Study rates are lower under jobactive than under JSA. This is likely due to the increased focus on employment outcomes under jobactive and the emphasis on accredited training that meets local employer need or meets specific pre-employment skills requirements.
- Successfully reducing red tape in employment services while ensuring providers and job seekers remain accountable is challenging. Overall red tape estimates declined significantly over the six years of JSA, from \$321.9 million per annum in 2009 to \$259.3 million per annum

¹ These include some programs falling within the responsibilities of other Australian Government departments. Examples include Disability Employment Services and the Community Development Program (which supports job seekers in remote Australia).

in 2015. The Australian Government has continued to reduce overall compliance costs in the employment services market, with red tape estimates in the first year of jobactive being reduced to \$197.1 million.

Conclusion

Work has already commenced on shaping future employment services when the current arrangements end in mid-2022. The development of the New Employment Services Model was informed by a range of evidence, including insights from the JSA evaluations and the forthcoming interim jobactive evaluation. It was also guided by the advice of an Employment Services Expert Advisory Panel established by then Minister of Jobs and Innovation, Senator the Hon Michaelia Cash on 22 January 2018. The Panel's report, *I want to work*, is available on the department's website.

A trial of the New Employment Services Model began in two locations (Adelaide South (SA) and the Mid-North Coast (NSW)) in July 2019. This trial will be used to inform future developments to the model prior to implementation in 2022.

Attachment A

Employment Assistance for Specific Groups

Young People

Youth Jobs PaTH aims to provide young people with a pathway to employment, by responding to employer feedback that young people can increase their job prospects by improving their employability skills and gaining relevant work experience. Youth Jobs PaTH comprises Employability Skills Training (Prepare), Internships (Trial) and a Youth Bonus wage subsidy to support the employment of young people (Hire). All three components of PaTH are available to eligible young people in jobactive, with internships and the Youth Bonus Wage Subsidy available to Transition to Work (TtW) participants.

TtW supports young people aged 15-21 on their journey to employment.² Service providers are required to have experience in working with disengaged youth as TtW targets early school leavers and young people who have experienced difficulty transitioning from education to employment. All young Aboriginal and Torres Strait Islander people are eligible. From 1 July 2018, the TtW service moved from a capped funding model to a more flexible demand driven funding model.

Empowering YOUTH Initiatives provided two year grants to selected not-for-profit, non-government community organisations to trial innovative and unique services that help vulnerable young people who are long-term unemployed, or at risk of becoming long-term unemployed. All projects under the Empowering YOUTH Initiatives have now ceased and an evaluation is in train.

Indigenous Job Seekers

Measures to support progress on achieving parity in employment outcomes between Indigenous and non-Indigenous Australians include:

- enhanced jobactive arrangements for Indigenous job seekers to provide access to culturally appropriate pre-employment training, preventative health activities and additional support to participate in community based work experience and Work for the Dole Projects
- mentoring and more support for Indigenous youth, with pre- and post-mentoring support to help Indigenous Australians to be job ready and gain employment
- expanded access to the TtW service for all Indigenous youth aged 15 to 21, including those who have completed high school
- a pilot of community delivered employment services in Yarrabah, Queensland to test a place based approach, and
- the voluntary Time to Work Employment Service provides Indigenous prisoners with assistance to access the support they need on their release, better preparing them to find employment and transition back into the community.

² Eligibility will expand to include young people aged 22-24 from January 2020.

For more information visit:

www.employment.gov.au

Mature age people

A range of jobs and skills measures have been funded to help mature age Australians to participate in the workforce, have flexibility in their later working years and retire with security. These include:

- the Career Transition Assistance (CTA) program, which commenced in five trial locations from 1 July 2018 and expanded nationally from 1 July 2019 to help people aged 45 and older identify transferable skills, improve employability skills, increase confidence and resilience and complete functional digital literacy training, where required
- an expansion and enhancement of the National Work Experience Programme to help more mature age job seekers benefit from work experience placements
- trialling a new Skills and Training Incentive to encourage workers aged 45–70 years to enhance their skills and take advantage of new career opportunities
- Pathway to Work pilots, over three years from 2018-19, to prepare and train mature age job seekers in selected growth industries and/or to work on large infrastructure projects
- an expansion of the Entrepreneurship Facilitators program to 20 additional locations to promote self-employment among older Australians, and
- working with industry, via a *Collaborative Partnership on Mature Age Employment*, to drive cultural change in hiring practices and combat age discrimination in workplaces.

People in regions that are disadvantaged or affected by industry transitions

The Stronger Transitions package operates in five regions affected by industry transition (Adelaide, South Australia; Mandurah, West Australia; North Queensland; North/North West Tasmania; and Melbourne North/West). A Transition Services Panel will be available in these regions until 30 June 2020. Transition Services include comprehensive skills assessments, preparing, planning and applying for jobs, resilience training and support, language, literacy and numeracy support, digital literacy training, financial management information, exploring self-employment, health and wellbeing awareness and support and industry awareness experiences.

The Regional Employment Trials Program commenced operation across 10 disadvantaged regions from 1 October 2018 to help ensure that local economic opportunities are better promoted to regional Australians looking for work and employment services providers. Trial elements include:

- Employment Facilitators, who work with Regional Development Australia (RDA) committees in trial locations to enable local stakeholders to address employment issues, and
- access to a Local Employment Initiative Fund of \$1 million in each region to develop proposals to partner with a least one employment services provider on activities that better connect employers with regional Australians looking for work, identify future employment, training or work experience opportunities, and help address local skills gaps.

The Government's 'Job Change' initiative announced in the 2018-2019 Budget provides mature age Australians and job seekers with practical assistance to reskill, stay in the workforce or find a new job and benefit from the economic and social benefits that employment brings.

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There are three parts to the Job Change initiative:

- better access to information about career pathways – a new Skills Match Tool on the Job Outlook website helps workers find related jobs and careers that match their skills and experience and enhanced online retrenchment resources for employers are available on www.whatsnext.jobs.gov.au
- earlier access to employment services – including support for retrenched workers and their partners to transition to new employment through access to jobactive before they become eligible for income support, and
- help for workers to move from traditional industries into growth sectors through:
 - continuing intensive employment assistance for automotive manufacturing workers through jobactive
 - extending the Gippsland Employment Facilitator, and
 - hosting Jobs Fairs in regions.

For more information visit:

www.employment.gov.au